

United States Senate

WASHINGTON, DC 20510

March 16, 2018

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, DC 20510

Dear Leader McConnell and Leader Schumer:

We are writing to thank you for your ongoing efforts to include in the omnibus bill urgent retirement legislation contained in the Retirement Enhancement and Savings Act of 2018 (“RESA”).

Among the many provisions of RESA that warrant timely passage, we would like to highlight one that is particularly time sensitive. RESA contains a bill that we jointly co-authored – the Retirement Security Preservation Act (S. 852) – that would allow employers that have closed their pension plans to new hires to continue to provide pension benefits to older, longer service workers. The current IRS rules have had the unintended effect of forcing many employers to have to stop providing such benefits, which can significantly undermine the retirement security of older workers. This provision in RESA would allow companies to continue providing those benefits.

The harm to plan participants by delaying the passage of this legislation is not theoretical. Every year that this issue is not fixed, more employees lose pension benefits and face a less secure retirement as a result. Aon, a global company providing pension services, has estimated that based on its client base alone, approximately 200,000 employees could lose pension benefits if this RESA issue is not addressed very soon. Addressing the issue at year end or next year would be too late for those 200,000 Americans and likely for many thousands of others served by pension service providers other than Aon.

RESA, which was unanimously approved by the Finance Committee in 2016 by a vote of 26-0, continues a long tradition of bipartisanship in furthering retirement security. Like both of you, we are proud to be a part of that tradition of bipartisan service to America’s savers and retirees.

These 200,000 older pension participants deserve legislative relief now, and RESA includes this critical relief. We understand you share this view, and we thank you for your important work on strengthening the retirement security of all Americans.

Sincerely,



Rob Portman
United States Senator



Ben Cardin
United States Senator